



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

Statement of
Ralph Mesick
Chair, Board of Directors
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 3, 2014 at 9:00 a.m.
State Capitol, Room 329

In consideration of
H.B. 2251
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

The HHFDC **supports** H.B. 2251, an Administration bill. H.B. 2251 increases the Housing Loan and Mortgage program, popularly known as the Hula Mae Multifamily program, revenue bond authority from \$750,000,000 to \$1,000,000,000.

The Hula Mae Multifamily program promotes the development of new or the preservation of existing affordable rental projects through the issuance of mortgage revenue bonds for interim or permanent financing at below-market interest rates. The bond authority is a cumulative ceiling on the total amount of revenue bonds that can be issued by HHFDC for this program. HHFDC's ability to issue these bonds in any given year is subject to the State's overall annual bond cap, and accordingly, the approval of the Department of Budget and Finance. Since its first bond issuance in 1985, the Hula Mae Multifamily program has provided \$418,244,699 in revenue bond proceeds for 18 affordable rental projects comprised of 2,954 affordable units.

The HHFDC Board has approved Hula Mae Multifamily financing of up to \$106,850,000 for 9 pending projects with 971 total units. That leaves only \$224,905,000 in uncommitted bond authority available at a time where demand is high for this form of financing. For example, the total dollar value of requests for Hula Mae Multifamily financing in 2013 exceeded this balance amount.

Passage of this bill will allow HHFDC to continue to assist in the development and preservation of affordable rental housing. Accordingly, HHFDC respectfully requests that this bill be favorably considered. Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
Richard C. Lim
Director
Department of Business, Economic Development and Tourism
before the

HOUSE COMMITTEE ON HOUSING

February 3, 2014 at 9:00 a.m.
State Capitol, Room 329

In consideration of
H.B. 2251
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

Chair Hashem, and Members of the House Committee on Housing.

DBEDT **supports** H.B. 2251, an Administration bill. H.B. 2251 increases the revenue bond authority for the Housing Loan and Mortgage program, familiarly known as the Hula Mae Multifamily program, from \$750,000,000 to \$1,000,000,000. Passage of this bill will allow for the continuation of an important financing tool for the development and preservation of affordable rental housing for lower income households.

DBEDT respectfully requests that the Committee pass this bill. Thank you for the opportunity to testify.

February 3, 2014

The Honorable Mark J. Hashem, Chair

House Committee on Housing
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: H.B. 2251, Relating to the Housing Loan and Mortgage Program

HEARING: Monday, February 3, 2014, at 9:00 a.m.

Aloha Chair Hashem, Vice Chair Woodson, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its 8,300 members. HAR **supports** H.B. 2251 which increases the Hula Mae Multifamily Revenue Bond authorization amount from \$750 million to \$1 billion.

The Hula Mae Multi-Family program provides low interest rate financing through the issuance of tax-exempt revenue bonds for the construction and/or acquisition and rehabilitation of housing projects. Developers are able to secure non-competitive low income housing tax credits in conjunction with the Hula Mae multi-family financing.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing, such as the Hula Mae Multifamily and Rental Housing Trust Fund Programs which can help effectuate the development of mixed-income and mixed-use projects.

Mahalo for the opportunity to testify.